



THE CLEAN POWER PLAN

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Clean Energy Incentive Program



What is the Clean Energy Incentive Plan (CEIP)?

The Clean Energy Incentive Program is a voluntary “matching fund” program that states can use to incentivize early investment in eligible Renewable Energy (RE), as well as demand-side energy efficiency (EE) projects that are implemented in low-income communities.



Who is eligible to participate in the CEIP?

- Project located in or benefitting a state that has submitted a final state plan that includes requirements establishing its participation in the CEIP.
- Projects commence construction or operation following the date on which the state submits its final state plan to EPA
- For Renewable Energy projects: Generate metered MWh from wind or solar resources
- For Energy Efficiency projects: Result in quantified and verified electricity savings through demand-side EE measures implemented in low-income communities
- Generate or save MWh in 2020 and/or 2021



The CPP Provides Many Opportunities for Energy Efficiency and Renewable Energy



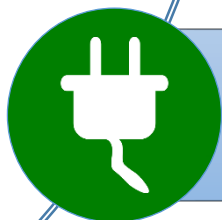
Committed to helping communities benefit from clean energy



Recognizes EE/RE as a key compliance option for affected EGUs; incentives to stimulate early investment



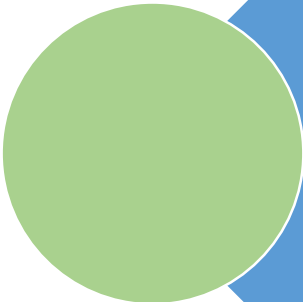
EE/RE are means of achieving less-polluting energy that is still reliable and affordable



EE is a proven strategy that can substantially and cost-effectively lower CO2 emissions from the power sector

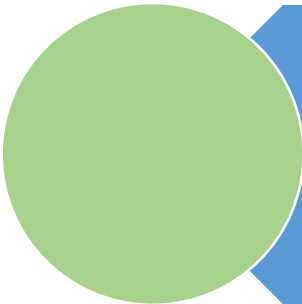


State Plan Requirements for CEIP



The CEIP is an optional, “matching fund” program that states may choose to use to incentivize:

- Wind or solar power generation in all communities, and
- Energy efficiency measures in low-income communities



In their September 6, 2016 submittal, states that wish to participate in the CEIP must indicate their (non-binding) intent.



EPA is also proposing to implement the CEIP for federal plan states.



How Does the CEIP Work?

A state that chooses to participate in the CEIP may award early action credits (either allowances or ERCs) to qualifying CEIP projects. The EPA will ***match*** these awards up to a limit equal to 300 million tons of CO₂.

The 300 million matching tons will be divided among the states proportionate to their emission reduction goals.

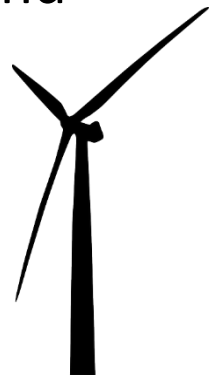
A portion of the matching tons will be reserved for wind and solar projects, and a portion will be reserved for low-income EE projects.

The EPA match will be double for low-income EE projects



CEIP – Wind/Solar

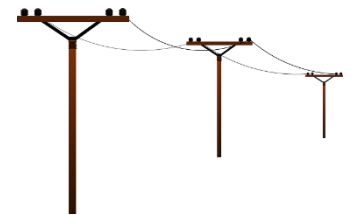
- Reserved specifically for wind and solar projects
- Commence construction after state plan submittal date
- Generate MWh in 2020 and/or 2021
- Wind or Solar projects will receive **1 credit** for **1 MWh** of generation (i.e. half early action credit from state and half matching credit from EPA).
- Allowances/ERCs may be used for compliance by affected EGUs with their emission standards during the interim and final performance periods, and may be banked within and between periods.





CEIP – EE/Low-Income Communities

- Reserved for verifiable projects through demand-side EE measures implemented in low-income communities
- Commence construction after state plan submittal date
- Generate MWh savings in 2020 and/or 2021
- Demand-side EE projects implemented in low-income communities will receive **2 credits** for **1 MWh** of avoided-generation (i.e. fully early action credit from the state and a full matching credit from the EPA).
- Allowances/ERCS maybe used for compliance by affected EGUs with their emission standards during the interim and final performance periods, and may be banked within and between periods.

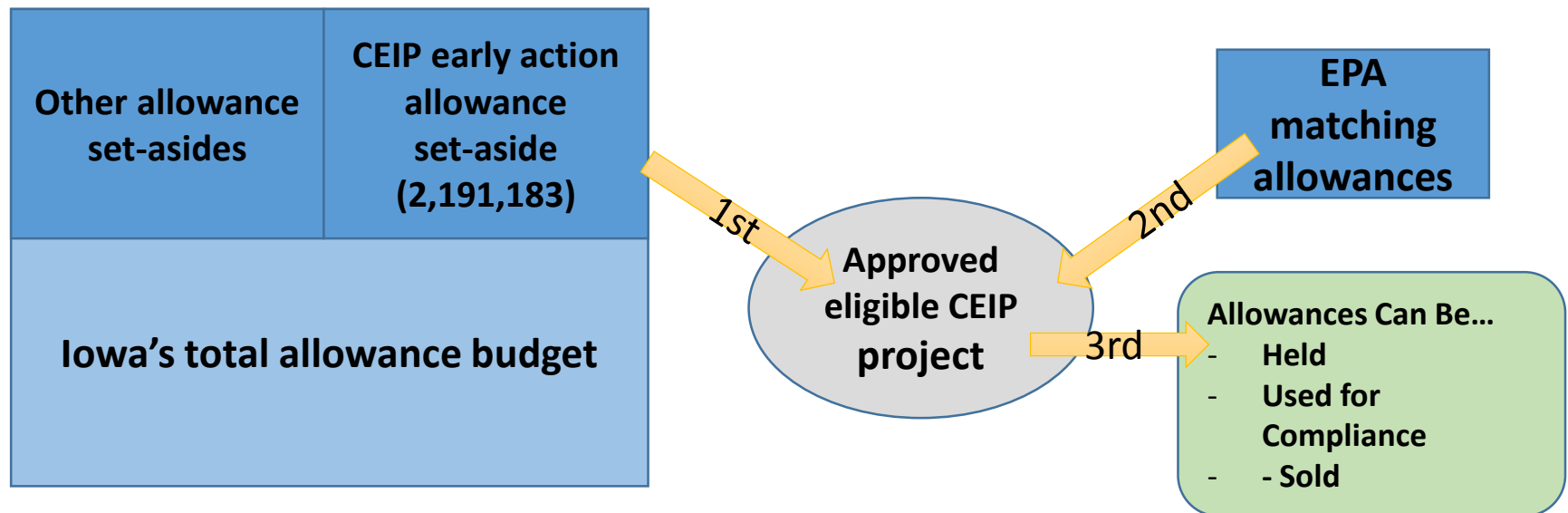




Example for a mass-based state plan

State opts in to the CEIP; sets aside a portion of its allowance budget to award to CEIP projects

- An eligible low-income project is approved by the state
- State awards **early action** allowances to the project
- State approaches EPA for the match; EPA awards **matching** allowances to the project
- CEIP Allowance holder can then either sell, use for compliance or hold the allowances generated by the project





Next Steps

- Upcoming EPA-Hosted Calls:
 - Monday, November 23, 2015 – Focus on CEIP Potential Partners
 - Monday, November 30, 2015 – Focus on Potential CEIP Credit Issuers
 - Tuesday, December 1, 2015 – General Call for those who may have missed the others

For more information please see handout provided

Upcoming Webinar:

Better Together: Linking and Leveraging Energy Programs for Low-Income Households

**Thursday, November 19, 2015 |
2:00-3:30 PM EST**

This 90-minute webcast will explore the topic of linking and leveraging EE/RE programs for limited-income households, including the need to coordinate with other energy assistance programs. It will present case studies of organizations that have successfully advanced connections among available programs and funding sources.

To Register:

<https://attendee.gotowebinar.com/register/7475586524357611778>



Questions we would like input on

- What should EPA consider when **defining criteria, terms and requirements** under the CEIP?
 - Definition of Low-Income
 - Evaluation, Measurement & Verification (EM&V) Requirements
 - Definition of “Commence Construction” for eligible solar/wind projects and “Commence Operation” for eligible low-income EE projects
- What should EPA consider regarding the **timing and distribution of allowances** under the CEIP?
 - How should the 300 million short ton CO₂ emissions-equivalent matching pool be allocated among states participating in the CEIP
 - How should the 300 million short ton matching pool be split between two reserves: one for wind/solar & one for low income EE
 - How should redistribution of allowances or ERCs take place, when should redistribution happen
- What should EPA consider when **designing the mechanics** of the CEIP?
 - What are appropriate mechanisms a state or EPA should use to review project submittals and issue early action allowances or ERCs
 - How should the 300 million short ton CO₂ emissions-equivalent matching pool be converted to ERCs, which are based on MWh



How Can I Provide Input?

EPA invites you to provide written responses to the non-regulatory docket established for this purpose. EPA will accept input, identified by **Docket ID Number EPA-HQ-OAR-2015-0734** through **December 15, 2015**. You may use one of the following methods:

- Go to www.regulations.gov and follow the on-line instructions for submitting comments.
- Send comments by e-mail to a-and-r-Docket@epa.gov.
- Fax your comments to: (202) 566-9744.
- Mail your comments to:
EPA Docket Center,
Environmental Protection Agency, Mail Code: 28221T
1200 Pennsylvania Ave., NW
Washington, DC 20460



What Can Communities Do Now?

EPA – Green Power Partnership Program, Energy Star
DOE - Weatherization Assistance
HHS - Low Income Home Energy Assistance Program
USDA – Energy Efficiency & Conservation loan program, High Cost Energy Grant Program

Utilize and Promote Current Federal EE/RE Programs:

Participate in State CPP Plan Development & Clean Energy Incentive Programs

Community Involvement in the Clean Power Plan

Attend EPA and State-Sponsored Stakeholder Sessions & Trainings

Assist in meeting the demand for Clean Energy Economy (e.g. education and training resources for new employee skills in EE/RE sectors)



Information and Resources

After two years of unprecedented outreach, the EPA remains committed to engaging with all stakeholders as states implement the final Clean Power Plan.

- The CEIP next steps document provides a detailed list of CEIP provisions on which the EPA is seeking stakeholder input: http://www2.epa.gov/sites/production/files/201510/documents/ceip_next_steps_10_21_15.pdf
- The EPA invites stakeholders to join outreach calls on design and implementation of the CEIP at: <http://www2.epa.gov/cleanpowerplan/clean-energy-incentive-program>
- Webcast series: *Bringing EE and RE to Low-Income Households: What's Working*. First webcast, November 19, 2 pm EST. Register at: <https://attendee.gotowebinar.com/register/7475586524357611778>
- For community-specific information and engagement opportunities, see the **Community Portal**: <http://www2.epa.gov/cleanpowerplan/clean-power-plan-community-page>
- For more information on the CPP and to access a copy of the rule, visit the **Clean Power Plan website**: <http://www2.epa.gov/carbon-pollution-standards>
- Through graphics and interactive maps, the **Story Map** presents key information about the final Clean Power Plan. See: <http://www2.epa.gov/cleanpowerplan>
- For additional resources to help states develop plans, visit the **CPP Toolbox for States**: <http://www2.epa.gov/cleanpowerplantoolbox>
- For a graphical and detailed walk through of the EGU category-specific CO₂ emission performance rate and state goals, see **State Goal Visualizer**: <http://www2.epa.gov/cleanpowerplantoolbox>
- EPA provides **webinars** and **training** on CPP related topics at the air pollution control learning website. See: <http://www.apti-learn.net/lms/cpp/plan/>
- **Federal programs and activities** to support renewable energy and energy efficiency in low- and moderate-income communities: https://www.whitehouse.gov/sites/default/files/low-income_and_energy_efficiency_programs.pdf
- Federal initiative to **increase solar access** for all Americans: <https://www.whitehouse.gov/the-press-office/2015/07/07/fact-sheet-administration-announces-new-initiative-increase-solar-access>



US EPA R7 Contacts

- Mark Smith, Chief, Air Compliance and Permitting Branch, smith.marka@epa.gov, 913-551-7876
- Ward Burns, Staff, Air Compliance and Permitting Branch, burns.ward@epa.gov, 913-551-7960